

**NATIONAL DAIRY MARKET AT A GLANCE**

**CHICAGO MERCANTILE EXCHANGE (CME) CASH MARKETS (8/12)**  
**BUTTER:** Grade AA closed at \$1.6925. The weekly average for Grade AA is \$1.6933 (+.0425).

**CHEESE:** Barrels closed at \$1.3600 and blocks at \$1.4025. The weekly average for barrels is \$1.3600 (+.0120) and blocks, \$1.3830 (+.0075).

**BUTTER:** Butter markets remain unsettled as the cash price continues to move higher and lower within a narrow range. Producers and handlers state that cream supplies for churning purposes continue to tighten. Declining milk production, lower butterfat tests within the incoming milk, increasing pricing multiples, and strong Class II demand are a few factors limiting cream volumes to the churn. Current, lighter churning schedules are not keeping pace with demand, thus inventoried stocks continue to be used to supplement demand. Overall buying interest is fair from Coast to Coast. Retail orders are seasonally steady, stimulated by an occasional feature. Food service orders are fair as restaurants and food service establishments, especially in resort and vacation areas, start to evaluate their supply and need situation as the summer vacation season nears the end.

**CHEESE:** The cheese market is unsettled, though with a firm undertone. Most traders expect current cheese supplies should tighten further as bottlers will require additional milk volumes as schools reopen and milk volumes continue to decline seasonally. Compounding the problem is seasonally low cheese yields as heat stressed cows produce milk containing less fat and protein. However, traders feel that some buyers may have accumulated larger inventories to hedge against tighter cheese supplies and/or higher prices. Current movement is unevenly fair to just occasionally good. Order lead times have increased at some plants and offerings are limited at others. Mozzarella demand is starting to improve seasonally as schools/colleges reopen.

**FLUID MILK:** Milk production across the country continues to edge lower. Some of the declines are being accelerated by hot and humid weather patterns that are now stressing the milking herd. Recent conditions and the time of the summer are two factors that are limiting production recovery at this time. Low butterfat and protein levels within the incoming milk continue to be a concern for producers and handlers. Cheese producers continue to see very low yields. Some producers are looking for additional fat and protein to standardize the cheese vat. Fluid milk volumes are starting to tighten as school bottling schedules resume in various areas of the country. Schools in the Southeast are getting back in session with majority opening this week or next. School bottling schedules will be increasing during the next 3 - 4 weeks thus milk volumes will continue to tighten. Cream demand is competitive, supplies are tightening, and some producers have increased pricing multiples. Ice cream production and sales are seasonally heavy. Churning activity is steady to lighter.

**DRY PRODUCTS:** Nonfat dry milk prices are mixed, slightly lower in the Central part of the country to firm elsewhere. Production schedules across the country are dependent on declining milk volumes and are expected

to edge lower as milk volumes decline and school bottling absorbs increasing volumes of available milk. Producer inventories are moderate on low heat; light on medium and high heat and there are very little uncommitted volumes. Buttermilk powder markets are steady to firm as production declines seasonally. Churning activity in most parts of the country is down due to shrinking cream supplies. Producer stocks are closely balanced and adequate to cover contractual needs. Some spot inquiries are going unfilled. Whey powder markets are generally steady to firm with prices unchanged to slightly higher. Most trade is occurring on a contractual basis or via the resale market. Producer stocks remain tight and some are sold out for the balance of the month with some committed through the end of the year.

**CCC:** During the week of August 8 - 12, there was no price support activity. The Kansas City CCC office announced on Thursday August 11, that no offers were received under invitation #200 for the purchase of nonfortified NDM for August delivery. CCC issued invitation #201 looking to purchase approximately 124,008 pounds of nonfortified NDM for September delivery. Bids are due August 17.

**MAY MAILBOX MILK PRICES (AMS, CDFA):** In May 2005, mailbox milk prices for selected reporting areas in Federal milk orders averaged \$14.48, \$.49 less than the figure for the previous month. The component tests of producer milk in May 2005 were: butterfat, 3.60%; protein, 3.00%; and other solids, 5.73%. On an individual reporting area basis, mailbox prices decreased in all Federal milk order reporting areas, and ranged from \$16.44 in Florida to \$12.52 in New Mexico. In May 2004, the Federal milk order all-area average mailbox price was \$19.01, \$.43 higher.

**JUNE FLUID MILK SALES (AMS, CDFA):** During June, about 4.2 billion pounds of packaged fluid milk products is estimated to have been sold in the United States. This was 0.7% higher than June 2004. After adjusting for calendar composition, sales in June 2005 were 1.1% higher than June 2004. On an individual product basis, after adjusting for calendar composition, sales of reduced fat (2%) milk, low fat (1%) milk, fat-free (skim) milk, and flavored fat-reduced milk increased from June 2004, while sales of whole milk, flavored whole milk, and buttermilk decreased from a year earlier.

**THIRD HERD RETIREMENT ANNOUNCED (NMPF):** The industry operated program, Cooperatives Working Together (CWT), announced that it will conduct a herd retirement program this fall. This is the third year in a row that CWT has conducted a program that allows dairy farmers to sell out their herds. The first two programs reduced cow numbers by more than 83,000 head, representing reduced milk production equivalent to 1.6 billion pounds. Bids will be accepted by CWT starting on August 15th, all bids must be postmarked by Friday, September 16th, to be considered. All dairy producers interested in submitting bids to sell their herds must be members of CWT, either through their membership in a participating cooperative, or as an independent member.

\*\*\*\*SPECIALS THIS ISSUE\*\*\*\*

JULY FEDERAL ORDER CLASS AND COMPONENT PRICES (PAGE 7)

MAY MAILBOX PRICES (PAGE 8)

JUNE FLUID MILK SALES (PAGE 9)

**CHICAGO MERCANTILE EXCHANGE  
CASH TRADING**

PRODUCT	MONDAY AUGUST 8	TUESDAY AUGUST 9	WEDNESDAY AUGUST 10	THURSDAY AUGUST 11	FRIDAY AUGUST 12	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE							
BARRELS	\$1.3600 (-.0200)	\$1.3600 (N.C.)	\$1.3600 (N.C.)	\$1.3600 (N.C.)	\$1.3600 (N.C.)	(-.0200)	\$1.3600 (+.0120)
40# BLOCKS	\$1.3700 (-.0325)	\$1.3725 (+.0025)	\$1.3750 (+.0025)	\$1.3950 (+.0200)	\$1.4025 (+.0075)	(N.C.)	\$1.3830 (+.0075)
BUTTER							
GRADE AA	\$1.6875 (-.0425)	----	\$1.7000 (+.0125)	----	\$1.6925 (-.0075)	(-.0375)	\$1.6933 (+.0425)

CHEESE: carload = 40,000-44,000 lbs., BUTTER: carlot = 40,000-43,000 lbs. \*Sum of daily changes. # Weekly averages are simple averages of the daily closing prices for the calendar week. Computed by Dairy Market News for informational purposes. This data is available on the Internet at [WWW.AMS.USDA.GOV/MARKETNEWS.HTM](http://WWW.AMS.USDA.GOV/MARKETNEWS.HTM) NOTE: CME NDM on Page 2.

**CHICAGO MERCANTILE EXCHANGE**

MONDAY, AUGUST 8, 2005

CHEESE — SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 1 CAR BARRELS @ \$1.3600; 7 CARS 40# BLOCKS: 1 @ \$1.3700, 1 @ \$1.3725, 1 @ \$1.3900, 1 @ \$1.3925, 2 @ \$1.4000, 1 @ \$1.4025

BUTTER — SALES: 8 CARS GRADE AA: 1 @ \$1.7000, 1 @ \$1.6800, 2 @ \$1.6825, 2 @ \$1.6850, 2 @ \$1.6875; BIDS UNFILLED: 1 CAR GRADE AA @ \$1.6800; OFFERS UNCOVERED: 17 CARS GRADE AA: 2 @ \$1.6900, 1 @ \$1.6925, 2 @ \$1.6950, 1 @ \$1.6975, 1 @ \$1.7025, 1 @ \$1.7050, 1 @ \$1.7225, 2 @ \$1.7250, 1 @ \$1.7275, 4 @ \$1.7300, 1 @ \$1.7500

TUESDAY, AUGUST 9, 2005

CHEESE — SALES: NONE; BIDS UNFILLED: 4 CARS 40# BLOCKS: 1 @ \$1.3725, 2 @ \$1.3700, 1 @ \$1.3600; OFFERS UNCOVERED: NONE

WEDNESDAY, AUGUST 10, 2005

CHEESE — SALES: 2 CARS 40# BLOCKS @ \$1.3750; BIDS UNFILLED: 2 CARS 40# BLOCKS: 1 @ \$1.3750, 1 @ \$1.3725; OFFERS UNCOVERED: NONE

BUTTER — SALES: 10 CARS GRADE AA: 5 @ \$1.6875, 2 @ \$1.6900, 1 @ \$1.6925, 1 @ \$1.6975, 1 @ \$1.7000; BIDS UNFILLED: 1 CAR GRADE AA @ \$1.6800; OFFERS UNCOVERED: 1 CAR GRADE AA @ \$1.7200

THURSDAY, AUGUST 11, 2005

CHEESE — SALES: 6 CARS 40# BLOCKS: 1 @ \$1.3875, 1 @ \$1.3900, 4 @ \$1.3925; BIDS UNFILLED: 4 CARS 40# BLOCKS: 2 @ \$1.3950, 1 @ \$1.3850, 1 @ \$1.3750; OFFERS UNCOVERED: 2 CARS 40# BLOCKS @ \$1.4000

FRIDAY, AUGUST 12, 2005

CHEESE — SALES: 4 CARS 40# BLOCKS: 2 @ \$1.4000, 2 @ \$1.4025; BIDS UNFILLED: 2 CARS 40# BLOCKS: 1 @ \$1.4000, 1 @ \$1.3950; OFFERS UNCOVERED: 2 CARS 40# BLOCKS @ \$1.4025

BUTTER — SALES: 21 CARS GRADE AA: 1 @ \$1.7000, 3 @ \$1.7025, 2 @ \$1.7000, 2 @ \$1.7025, 1 @ \$1.7000, 1 @ \$1.7025, 1 @ \$1.7000, 1 @ \$1.7025, 2 @ \$1.7000, 1 @ \$1.7025, 5 @ \$1.7000, 1 @ \$1.6925; BIDS UNFILLED: 2 CARS GRADE AA @ \$1.6900; OFFERS UNCOVERED: 3 CARS GRADE AA @ \$1.7200

**CME CASH NONFAT DRY MILK:** Extra Grade closed the week at \$0.9625 and Grade A at \$0.9825. (The last price change occurred March 30.) The weekly average for Extra Grade is \$0.9625 (N.C.) and Grade A is \$0.9825 (N.C.).

**BUTTER MARKETS****JUNE BUTTER PRODUCTION**

During June 2005, butter production in the United States totaled 104.3 million pounds, 5.2% more than June 2004 but 12.8% less than May 2005. The following are June to June changes for various states: CA +7.5%, NY +22.7%, PA +12.6% and WI +12.9%.

**NORTHEAST**

The butter market is firm, but with recent price increases and decreases at the CME some unsettledness is evident. The CME cash price gained fourteen cents in the last two trading sessions last week, but lost 4.25 cents during Monday's (8/8) trading. Some contacts wonder why these big price swings at this time. Many expected continued increases as cream supplies are tight and churning activity is slowing. Other contacts feel that Monday's decline is/was more an adjustment rather than a trend. This week one butter producer is down for scheduled maintenance. Butter stocks remain fully adequate for current needs. Demand for bulk butter is just fair. Retail sales and food service orders are steady. Sales of bulk butter f.o.b. East, are reported in a range from flat market to 3.0 cents over the CME price/average.

**CENTRAL**

The CME cash butter market continues to adjust higher and lower. The cash price reached \$1.7300 last Friday which was the again the yearly high, but dropped off early in the week and regained some of the loss at midweek, settling Wednesday at \$1.7000. Producers state that cream supplies continue to tighten. Declining milk volumes and butterfat levels within the incoming milk are major factors impacting butter production at this time. Producers state that they have had quite a favorable production season thus far. Cream volumes had been favorably priced and available to them longer into the summer than in recent

years. Recent hot temperatures have enhanced Class II demand, especially for ice cream production, thus further limiting cream volumes to the churn. Overall butter demand is fair. Stocks of fresh butter continue to lag demand, thus inventoried stocks are supplementing needs. Food service orders are seasonally fair. Food service buyers in resort and vacation areas are starting to closely monitor their needs for the next 3 – 4 weeks as the unofficial end of the summer vacation season is fast approaching. Bulk butter for spot sale is being reported in the flat – 2 cents per pound over various pricing basis.

**WEST**

During the past week, cash butter prices continues to increase and decrease during trading sessions at the CME. The cash price eased slightly early in the week, but firmed at midweek to \$1.7000. The cash price is near the \$1.7300 attained last Friday which matched the yearly high. Churning schedules across the region continue to be impacted by declining milk production and cream offerings. Overall butter demand is fair at best. The *Dairy Products* report indicates that total U.S. butter production for June was 104.3 million pounds, up 5.2% (5.1 million pounds) from last June, but 12.8% (15.2 million pounds) less than May 2005. Cumulative output for the first six months of 2005 totals 703.7 million pounds, 8.6% (55.8 million pounds) from the same 2004 time period. June output for the Western region totaled 48.6 million pounds, 12.9% ahead of last June and 3.5% higher than May. The West produced 46.7% of U.S. butter output for June. CME weekly butter stocks declined by 3.99 million pounds to stand at 90.1 million pounds. This number compares to 106.6 million pounds last year for the same week. Stocks have declined 16.2 million pounds over the last eight weeks. Bulk butter prices range from flat to 4 cents under based on the CME with various time frames and averages.

**NASS DAIRY PRODUCT PRICES****U.S. AVERAGES AND TOTAL POUNDS**

<u>WEEK ENDING</u>	CHEESE		NDM	BUTTER	DRY WHEY
	40# BLOCKS	38% MOISTURE BARRELS			
AUGUST 6	1.4659	1.4474	0.9530	1.5911	0.2854
	7,330,720	9,616,070	11,367,973	3,815,988	10,275,469

Further data and revisions may be found on the internet at: <http://jan.mannlib.cornell.edu/reports/nassr/price/dairy>

## CHEESE MARKETS

## NORTHEAST

Prices are moderately lower on both natural and process items. The market tone is steady to firmer as prices at the CME increased late last week. However during Monday's (8/8) trading prices retreated from Friday's (8/5) close. Cheese production in the Northeast remains fairly steady, but slowing as both milk supply and yields are decreasing seasonally. Demand for cheese is improved as buyers who purchase on the weekly average try to place orders ahead of expected increases. With less than a month left in the "vacation season" wholesalers are preparing for the seasonal slow down in resort area sales and return to a more typical, school-year shopping habits. Food service orders are still quite good and retail sales are fair at best.

WHOLESALE SELLING PRICES: DELIVERED,  
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Cheddar 10# Prints	:	1.4550-1.9750
Cheddar Single Daisies	:	1.4125-1.8875
Cheddar 40# Block	:	1.5150-1.7850
Process 5# Loaf	:	1.5575-1.7650
Process 5# Sliced	:	1.5775-1.8025
Muenster	:	1.5275-1.7300
Grade A Swiss Cuts 10 - 14#	:	2.4500-2.6500

## MIDWEST

The cheese market is unsettled. With a major cheese buyer backing away from purchasing on the Chicago Mercantile Exchange in recent weeks, observers are watching for other buyers to step in the fray. Overall cheese demand is moderate. Some buyers that were waiting for weekly average prices to catch up are again making purchases, at least for the short term. Order lead times have increased at some plants. A few producers have cut bulk cheese commitments to balance actual cheese production with demand. Swiss demand is good, bolstered by a sandwich promotion by a large food service firm. With most schools/colleges opening in a few weeks, producers hope mozzarella demand picks up seasonally. While milk intakes have declined during the summer heat, recent heat abatement equipment purchased by many milk producers slowed the summer decrease according to some plant operators. The bigger difference in recent weeks has been the decline in fat and protein tests, resulting in much lower cheese yield per vat. Also, fluid shipments to the Southeast are also reducing production schedules.

WISCONSIN WHOLESALE SELLING PRICES: DELIVERED,  
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Process American 5# Loaf	:	1.5475-1.9700
Brick And/Or Muenster 5#	:	1.9250-1.9800
Cheddar 40# Block	:	1.7250-2.2650
Monterey Jack 10#	:	1.9650-2.2650
Blue 5#	:	2.2200-2.6900
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.5525-2.3650
Grade A Swiss Cuts 6 - 9#	:	2.4300-2.8700

WEEKLY COLD STORAGE HOLDINGS-SELECTED STORAGE CENTERS  
IN THOUSAND POUNDS - INCLUDING GOVERNMENT STOCKS

## BUTTER : CHEESE

08/08/05	50,817	:	149,569
08/01/05	50,862	:	149,286
CHANGE	-45	:	283
% CHANGE	N.C.	:	N.C.

## WEST

Since midweek last week, the cash 40# block price at the CME has increased, decreased, and is once again on the firming side, to settle Wednesday at \$1.3750. Many Western cheese producers continue to comment on the declining volume of milk available to them, but of more concern are the declining butterfat and protein levels in the incoming milk. This causes yields in the cheese vat to be more inconsistent. Cheese demand often continues to surpass current supply. Buyers and handlers state that supplies are limited and potential uncommitted supplies might be available in October. The June *Dairy Products* report indicates that total U.S. cheese production was 761.0 million pounds, up 6.4% (45.7 million pounds) from last June. Cumulative output for the first six month of 2005 is 4.6 billion pounds, up 2.4% from same period in 2004. June output for the Western region totals 318.7 million pounds, up 8.7% (25.6 million pounds) from June 2004. The West produced 41.9% of total U.S. cheese production in June. June Swiss output for the U.S. was 24.6 million pounds, up 4.1% for a year ago.

WHOLESALE SELLING PRICES: DELIVERED, DOLLARS PER POUND  
(1000 - 5000 POUNDS MIXED LOTS)

Process 5# Loaf	:	1.5000-1.7575
Cheddar 40# Block	:	1.4950-1.8475
Cheddar 10# Cuts	:	1.6750-1.8950
Monterey Jack 10#	:	1.6850-1.8450
Grade A Swiss Cuts 6 - 9#	:	2.2500-2.7000

## FOREIGN

Prices are unchanged on imported styles; moderately lower on domestic styles. The market tone is seasonal. Supplies of most types of cheese are adequate to meet the current slow to fair demand. With current currency exchange rates not as favorable as they were during the first third of the year, imports are often running behind year-ago levels, particularly "high-tier" volumes.

WHOLESALE SELLING PRICES: FOB DISTRIBUTORS DOCK  
DOLLARS PER POUND (1000 - 5000 POUNDS, MIXED LOTS)

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
Roquefort	TFEWR	-0-
Blue	2.6400-4.6900	1.7675-3.2575*
Gorgonzola	3.6900-6.0900	2.2800-2.4900*
Parmesan (Italy)	TFEWR	3.1825-3.2900*
Romano (Italy)	2.1000-3.2500	-0-
Provolone (Italy)	3.4400-6.0900	1.7700-2.0050*
Romano (Cows Milk)	-0-	2.9650-5.1300*
Sardo Romano (Argentina)	2.8500-3.2900	-0-
Reggianito (Argentina)	2.6900-3.2900	-0-
Jarlsberg-(Brand)	3.1200-4.1500	-0-
Swiss Cuts Switzerland	-0-	2.4500-2.6500
Swiss Cuts Finnish	2.5900-2.8500	-0-
Swiss Cuts Austrian	TFEWR	-0-
Edam	:	:
2 Pound	TFEWR	-0-
4 Pound	2.1900-3.5600	-0-
Gouda, Large	TFEWR	-0-
Gouda, Baby (\$/Dozen)	:	:
10 Ounce	27.8000-31.7000	-0-

\* = Price change.



## FLUID MILK AND CREAM

## EAST

Spot shipments of Grade A milk into or out of Florida and other Southeastern states

	THIS WEEK		LAST WEEK		LAST YEAR	
	IN	OUT	IN	OUT	IN	OUT
FLORIDA	134	0	91	0	126	0
SOUTHEAST STATES	31	0	31	0	0	0

The following are the July 2005 Class and component prices under the Federal Milk Order pricing system: Class II \$13.79 (up \$.73 from June), Class III \$14.35 (up \$.43), and Class IV \$13.17 (up \$0.84). The following are the product price averages used in computing Class prices: butter \$1.6156, NDM \$0.9389, cheese \$1.5156 and dry whey \$0.2794. The Class II butterfat price is \$1.8077 and the Class III/IV butterfat price is \$1.8007. Milk production is still declining in most parts of the region. The last bout of hot weather seems to have taken a more noticeable toll on the cows in the Northeast and milk receipts are dropping. Hot weather continues in the Southeast, and milk production is still declining, but at a slower rate. However, some timely rains in this part of the region is promoting grass/pasture, which is helping milk output rebound slightly. Butterfat and protein tests continue at typically low, summer-time levels. Fluid milk supplies are tighter as bottlers start school lunch orders. Schools in the Southeast are getting back in session with the majority opening this week or next. This is pulling more milk away from manufacturing plants. However, surplus milk from the Southwest is being shipped into the Southeast to find processing capacity. These shipments are in addition to the Class I milk being imported into Florida and other Southeastern states. Contacts comment that with all the milk moving from the Southwest and all the trucks/truckers that are committed to this area of the country, there is a developing shortage of haulers in other parts of the country. The condensed skim market is little changed from past weeks. Offerings, corresponding to surplus milk supplies, are lighter and demand is steady to occasionally improved. Prices are steady to lower as July Class III skim milk price did move slightly lower from the previous month and estimated to be lower for August. The fluid cream market remains firm and as one contact put it, "the cream market is the best it has been all year." Supplies are a little more available as one churning facility is down this week for renovations. The cream normally moving into this plant was welcomed on the market and cleared easily. Spot prices are generally higher as both the CME butter average and multiples increased. Demand is good and suppliers report that they are getting more calls from buyers/users looking for cream. Cream cheese production is spotty. Some producers are taking more cream while others are not. Ice cream production and sales are improving for both hard and soft serve. Production of sour cream, dips, and bottled cream is seasonally heavy. Churning activity is limited in the East.

## FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

SPOT PRICES OF CLASS II CREAM, \$ PER LB BUTTERFAT

F.O.B. PRODUCING PLANTS: NORTHEAST	-	2.2451-2.4267
DELIVERED EQUIVALENT ATLANTA	-	2.2451-2.4432 M 2.2946-2.3772
F.O.B. PRODUCING PLANTS: UPPER MIDWEST	-	2.1130-2.3772

PRICES OF CONDENSED SKIM, \$ PER LB SOLIDS

F.O.B. PRODUCING PLANTS:	
NORTHEAST- CLASS II - INCLUDES MONTHLY FORMULA PRICES	- .9900-1.0500
NORTHEAST- CLASS III - SPOT PRICES	- 1.0800-1.1700

## MID WEST

Class I demand generally remains at light summer levels. Some bottlers did need to add a few extra loads this week. Bottlers are preparing for the reopening of schools over the next month and making plans when to step up production to build an inventory of packaged school milk. Milk shipments continue into the Southeast as well as for qualifying

on the various Federal Milk Orders. Manufacturing milk demand is steady to occasionally improved. Reported spot Class III manufacturing milk prices range from around \$1.00 – 1.30 net over class, fob. Price resistance is noted at \$2.00 over class for Class III. Most milk handlers anticipate the usual squeeze on milk supplies as schools reopen and cheese plants receive the fall surge in orders. Milk supplies are seasonally tight. Class II milk demand remains steady, particularly from ice cream accounts. Ice cream demand remains seasonally strong. Cream multiples are mixed though the average cream price is higher this week. Certainly with the lower fat tests, it takes more milk to generate a load of cream. Supplemental loads of cream continue to originate from the West. Current milk intakes are uneven, occasionally higher to mostly lower. While plant intakes have dropped in the summer heat, quite often not as much as usually expected. Cheese producers continue to see very low summer yields due to reduced fat and protein tests. Dry conditions prevail as moisture reserves are limited in many areas and precipitation uneven. Winter feed supply concerns continue as corn and soybeans head toward maturity and producers try to get another hay/haylage cutting. Some producers have been seeding alfalfa in recent weeks for next year.

## WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

	AUGUST 4 – 10	PREVIOUS YEAR
SLAUGHTER COWS	\$ 49.50- 55.00	\$ 54.00- 62.50
REPLACEMENT HEIFER CALVES	\$500.00-750.00	\$310.00-600.00

## SOUTH ST. PAUL TERMINAL AUCTION MARKET (PER CWT.)

	AUGUST 4 – 10	PREVIOUS YEAR
SLAUGHTER COWS	\$ 47.00- 58.00	\$ 56.00- 62.00

## WEST

The September 2005 Class 1 prices in CALIFORNIA range from \$15.22 in the north to \$15.44 in the south. The statewide average Class 1 price based on production is \$15.27. The average is \$0.62 lower than August 2005 and \$0.43 less than September 2004. Hot weather continues to blanket most of CALIFORNIA. However, the temperatures, though still over 100 are not as high as they were a week or two ago. Milk production declines continue and losses of 10% from the previous week are not uncommon. In some areas, cooler nights are causing output to rebound slightly. Fluid milk supplies are still more than ample and yields remain low. Bottlers are starting to gear up for the approaching school-year. CREAM demand is improving and some producers have increased multiples, within the range, on any new sales. Ice cream production and sales are seasonally heavy. Churning activity is steady to lighter. In the SOUTHWEST, temperatures remains very high and milk output is mostly steady. Fluid milk supplies are excessive and many loads are looking for processing outlets. One plant is down for renovations and this milk is being shipped great distances. Contacts comment that with all the truck/truckers being concentrated in this region, there are some truck shortages in other regions. Class I milk demand is improving as school re-openings get underway. In the PACIFIC NORTHWEST, weather conditions remain quite comparable to recent weeks. Temperatures are warm, although not overly detrimental to milk production patterns. Milk output continues to edge lower, but the decline is gradual. Some milk handlers are commenting on the makeup of milk at this time of the season. Butterfat and protein levels of the incoming milk are lower, thus some cheese manufacturers are looking for additional cream and protein to standardize the cheese vat. Farther East, on the other side of the mountain range, temperatures remain hot. Milk volumes continue to decline and manufacturing facilities are often running at well below capacity levels.

**NDM, BUTTERMILK & WHOLE MILK**

Prices represent carlot/trucklot quantities for domestic and export sales packaged in 25 kg. or 50 lb. bags, or totes, spray process, dollars per pound.

**NONFAT DRY MILK - CENTRAL AND EAST**

**CENTRAL:** Prices are unchanged to lower on a steady market. Most trade is occurring on a contractual basis. Offerings are noted into some trading firms for the light interest. Production is higher than anticipated for this time of year despite persistent hot weather. The undertone for the next few months is mixed. Some cheese plants are expressing reduced interest in NDM due to variable and reduced cheese prices. Some buyers accumulated sufficient stocks of NDM in an effort to reduce their needs during expected production declines in the hot summer months. However, as school sessions commence and more milk is diverted to bottling, supplies of NDM are expected to tighten with supply availability then largely dependent upon West coast production and exports. **EAST:** Prices are up again this week and the market tone is generally quite firm. Reports of some spot clearing NDM at or slightly below the low end of the range were noted, but unconfirmed. Most Eastern producers report lighter production schedules due to tighter surplus milk supplies. However, some Southeastern plants are receiving significant volumes of Southwestern milk this week. Producer inventories are moderate on low heat; light on high and medium heat and there are very little uncommitted volumes. Spot inquiries are most often filled in the resale market. Demand remains fair to good. There are some comments that demand has not been as brisk as it was prior to July 1.

**DAIRY PRODUCTS:** Production of human food, nonfat dry milk during June 2005 totaled 125.2 million pounds, down 13.1% from June 2004 but 0.9% above May 2005. Month ending stocks, at 117.0 million pounds, are 20.2% below a year ago but 3.9% above last month. [Note: NASS NDM totals do not account for SMP production and stocks]

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A  
LOW/MEDIUMHEAT: .9600 - 1.0325 MOSTLY: .9800 - 1.0150  
HIGH HEAT: 1.0075 - 1.1000

**NONFAT DRY MILK - WEST**

Prices are steady to higher with a relatively firm undertone. Production levels are easing but still moderate to heavy. Surplus milk supplies are more than ample in the Southwest and California, despite the continued heat. Demand for low/medium heat NDM is mixed, mostly fair to good. Interest from cheese makers may have waned slightly as they work off inventories acquired earlier in the year. Demand from other domestic users is fair. Fourth quarter export interest seems to be picking up for some producers. High heat demand, in scattered instances, seems to be improving and offerings are light. Nonfat dry milk production during June totaled 125.2 million pounds, down 13.1% from June 2004 but 0.9% more than May 2005. Month ending stocks, at 117.0 million pounds, are 20.2% less than last year but 3.9% more than a month ago.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A  
LOW/MEDIUMHEAT: .9250 - .9800 MOSTLY: .9350 - .9625  
HIGHHEAT: .9600 - .9950

**CALIFORNIA MANUFACTURING PLANTS - NDM**

WEEK ENDING	PRICE	TOTAL SALES	SALES TO CCC
August 5	\$.9373	5,890,427	0
July 29	\$.9351	6,210,930	0

Prices are weighted averages for Extra Grade and Grade A Nonfat Dry Milk, f.o.b. California manufacturing plants. Prices for both periods were influenced by effects of long-term contract sales. Total sales (pounds) include sales to CCC. Compiled by Dairy Marketing Branch, California Department of Food and Agriculture.

**DRY BUTTERMILK - CENTRAL**

Prices are unchanged to higher on a steady market. Trade activity is light and variable. Some producers are having difficulty in clearing loads at the lower end of the range whereas others are garnering a premium, reportedly due to location advantages and brand specificity. Price advantages remain apparent in the West compared to the Central. Production is steady to lower in response to reduced churn activity and continued movement of condensed buttermilk into ice cream operations. Production of dry buttermilk during June 2005 totaled 4.3 million pounds, 2.4% less than June 2004 and 16.8% below May 2005. Month ending stocks, at 9.5 million pounds, are 84.1% above a year ago but 2.7% lower than May 2005.

F.O.B. CENTRAL: .9500 - 1.0450

**DRY BUTTERMILK - NORTHEAST AND SOUTHEAST**

Prices and the market tone are unchanged. Northeastern prices remain nominal. Lighter churning activity has been and is reducing the volumes of buttermilk that are being dried. Producer stocks are closely balanced and adequate to cover contractual needs. Some spot inquiries are going unfilled. However, there are unconfirmed reports of producers having more than they desire in their warehouses. Demand is just fair. Dry buttermilk production during June 2005 totaled 4.3 million pounds, down 2.4% from last June and 16.8% less than May 2005. Month ending stocks, at 9.5 million pounds, are up 84.1% from a year ago but 2.7% less than a month ago.

F.O.B. NORTHEAST: .9300 - 1.0050  
DELVD SOUTHEAST: .9800 - 1.0600

**DRY BUTTERMILK - WEST**

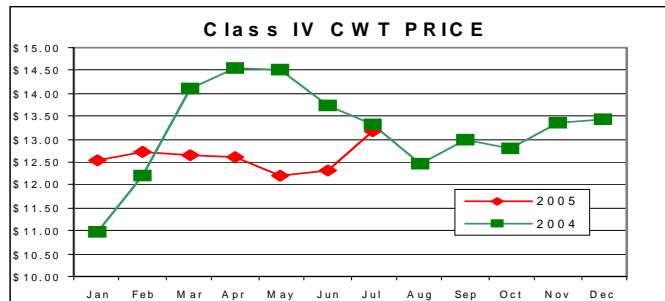
Prices and the market tone are generally steady. Production levels are unchanged to lower as cream supplies tighten and churning slows in many areas. Sales of condensed/liquid buttermilk remain seasonally active and drying is light. Demand is mostly steady with some producers reporting slower interest and others noting improvement. Pricing would likely be the cause for the variance in demand. Dry buttermilk production during June 2005 totaled 4.3 million pounds, down 2.4% from last June and 16.8% less than May 2005. Month ending stocks, at 9.5 million pounds, are up 84.1% from a year ago but 2.7% less than a month ago.

F.O.B. WEST: .9050 - .9625 MOSTLY: .9150 - .9200

**DRY WHOLE MILK - NATIONAL**

Prices are mixed and remain nominal. The market tone is steady. Class IV milk prices increased, which pushed some producers to increase dry whole milk prices. Others have lowered prices to stimulate some interest. Production levels are light. Demand is steady at mostly slow levels. Dry whole milk production during June 2005 totaled 2.1 million pounds, down 13.7% from last June and 34.2% less than May 2005.

F.O.B. PRODUCING PLANT: 1.3125 - 1.3800



**WHEY, CASEIN & EVAPORATED MILK**

Prices represent carlot/trucklot quantities for domestic and export sales packaged in 25 kg. or 50 lb. bags, or totes, spray process, dollars per pound.

**DRY WHEY - CENTRAL**

Prices are higher on a firm market. Supplies are very tight for the good interest. Most trade is occurring on a contractual basis or via the resale market. Some manufacturers report that they are sold out for the remainder of the month. Feed buyers are trying to avoid buying the higher cost Extra Grade whey and instead search for lower cost milk replacer supplies. However, milk replacer quality whey is also short in supply at prices reported higher in association with the Extra Grade market. Production of HUMAN FOOD, dry whey during June 2005 totaled 81.6 million pounds, 3.1% more than June 2004 but 4.8% below May 2005. Month ending stocks, at 35.0 million pounds, are 17.3% below a year ago and 4.8% less than May 2005. Production of ANIMAL FEED, dry whey during June 2005 totaled 8.1 million pounds, 7.6% more than June 2004 and 8.5% above May 2005. Month ending stocks, at 3.5 million pounds, are 44.8% lower than a year ago but 3.8% more than May 2005.

F.O.B. CENTRAL: .2775 - .2925 MOSTLY: .2775 - .2875  
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .2500 - .2675

**DRY WHEY - NORTHEAST AND SOUTHEAST**

Prices are often higher and the market tone is relatively firm. Northeastern prices remain nominal. Eastern production is increasing as the dryer that was down for renovation is back on line and, barring any problems, should be "up to speed" late this week. Producer stocks remain tight and some are sold out for the remainder of the year. Demand is holding at fair to good levels. Producers and traders are reporting more inquiries. However, market activity continues to be reported as quiet. Most spot demand is being filled in the resale market. Production of human food, dry whey during June totaled 81.6 million pounds, 3.1% more than June 2004 but 4.8% less than May 2005. Month ending stocks, at 35.0 million pounds, are 17.3% below last year and 4.8% less than a month ago. Production of animal feed, dry whey during June totaled 8.1 million pounds, 7.6% more than a year ago and 8.5% above May 2005.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .2825 - .3000  
DELVD SOUTHEAST: .3025 - .3275

**DRY WHEY - WEST**

For the most part, Western whey prices remain steady, although the top end of the reported range did weaken. Stocks of powder are generally balanced. Production levels continue to edge lower as cheese production also declines. Domestic buyer interest is gaining momentum with export activity remaining steady. According to the June *Dairy Products* report, dry whey production for human needs totaled 81.6 million pound, 3.1% heavier than last June, but 4.8% lighter than last month. Manufacturers' end of month stocks total 35.0 million pounds, 17.3% lighter than May 2004 and 4.8% less than April 2005. Dry whey production in the West region totaled 23.7 million pounds, 7.7% ahead of last May, but 7.9% lighter than last month. Western producers generated 29.0% of the U.S. total. Cumulative whey production in the U.S. for the first six months of the year total 531.4 million pounds which is 0.3% lighter than the comparable period in 2004.

NONHYGROSCOPIC: .2900 - .3225 MOSTLY: .3000 - .3200

**WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST**

Prices are unchanged to lower on a mostly steady market. Aged and current stocks of domestic and imported 80% WPC is trading competitively with 34% WPC and encouraging some plants to sell multiple loads at a slight discount to the market. Resellers are also clearing stocks with increased trade into some feed facilities at steady to lower price levels. Production is unchanged to lower due to reduced milk supply availability at some locations. Sellers are not ready to address buyers seeking contractual commitments for fourth quarter and 2006. Production of HUMAN FOOD WPC (25.0-89.9% PROTEIN) during June 2005 totaled 28.5 million pounds, 17.1% higher than June 2004 and 10.0% above May 2005. Manufacturers' end-of-month stocks totaled 23.3 million pounds, 4.8% higher than a year ago and 6.6% above last month. Production of ANIMAL FEED WPC (25.0-89.9% PROTEIN) during June 2005 totaled 3.7 million pounds, down 18.9% from June 2004 and 10.4% below May 2005. Manufacturers' end-of-month stocks totaled 2.1 million pounds, 29.5% below last year and 10.4% lower than last month.

F.O.B. EXTRA GRADE 34% PROTEIN: .8950 - .9175 MOSTLY: .8950 - .9175

**LACTOSE - CENTRAL AND WEST**

Prices are unchanged to higher on a steady to firm market. Most trade is occurring on a contractual basis. Plenty of conjecture on market prices for fourth quarter and 2006 is noted in the trade. Increased production of dry whey permeate, a substitute for lactose in some formulations, during the fourth quarter may affect market conditions for lactose. Additional supplies of lactose are being offered onto contracts into some candy and confectionary operations for the light interest. However, many producers report that their supplies are tight and short of contractual needs. Candy plants are currently in full swing for seasonal Halloween and Christmas products. Feed interest remains very good. Lactose production during June 2005 totaled 55.8 million pounds, down 1.9% from June 2004 and 3.4% lower than May 2005. Month ending stocks, at 61.4 million pounds, are 5.8% lower than a year ago and 0.8% below last month.

Including spot sales and up to 3 month contracts. Mesh size 30 - 100.  
F.O.B. EDIBLE: .1875 - .2200 MOSTLY: .1900 - .2100

**CASEIN - NATIONAL**

Casein markets are steady at firm price levels. Domestic buyers continue to question supply availability as the European production season declines and the Oceania season is just getting underway. At this point, most European suppliers indicate that their supply situation is in good balance with demand. Their production season has been very positive, thus most have been able to establish a working inventory. In the Oceania region, it is still too early to report how the casein season is developing. Basically, casein production has not even begun or at least remains very limited.

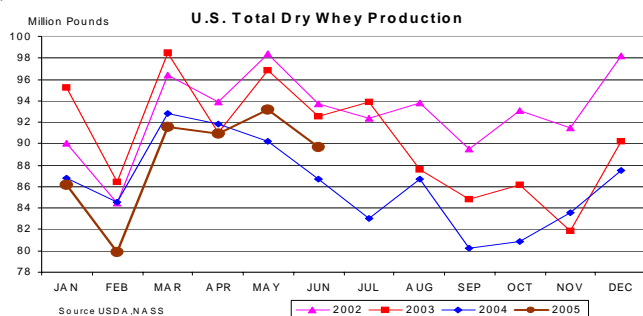
SPOT SALES AND UP TO 3 MONTH CONTRACTS. PRICES ARE F.O.B., U.S. WAREHOUSE FOR EDIBLE NONRESTRICTED AND VARY ACCORDING TO MESH SIZE AND QUALITY.

RENNET: 3.2700 - 3.4500  
ACID: 3.2700 - 3.4000

**EVAPORATED MILK - NATIONAL**

Prices and the market tone are unchanged. Production levels are often lighter as some areas of the country experience tighter, and higher priced, milk supplies. Other areas have ample milk. Plant inventories continue to be built as producers prepare for the generally good demand in the fourth quarter. Demand is seasonally slow to fair. Canned evaporated milk production during June totaled 46.1 million pounds, 12.7% less than June 2004 and 0.1% less than May 2005. Month ending stocks, at 71.0 million pounds, are 3.9% above a year ago and 1.4% more than last month.

DOLLARS PER 48 - 12 FLUID OUNCE CANS PER CASE DELIVERED MAJOR U.S. CITIES \$19.50 - 30.00  
Excluding promotional and other sales allowances. Included new price announcements.



## FEDERAL MILK ORDER CLASS AND COMPONENT PRICES, JULY

**Component Price Information:** Under the Federal milk order pricing system, the butterfat price for July 2005 is \$1.8007 per pound. Thus, the Class II butterfat price is \$1.8077. The protein and other solids prices for July are \$2.4558 and \$0.1240 per pound, respectively. These component prices set the Class III skim milk price at \$8.34 per cwt. The July Class IV skim milk price is \$7.12 which is derived from the nonfat solids price of \$0.7909 per pound. **Product Price Averages:** The product price averages for July are: butter \$1.6156, nonfat dry milk \$0.9389, cheese \$1.5156, and dry whey \$0.2794.

FEDERAL MILK ORDER MINIMUM CLASS PRICES FOR MILK OF 3.5 PERCENT BUTTERFAT 1/ 2/						
FEDERAL MILK ORDER MARKETING AREAS 3/	ORDER NUMBER	JULY 2005				AUGUST 2005
		CLASS I	CLASS II	CLASS III	CLASS IV	CLASS I
		DOLLARS PER 100 POUNDS				
Northeast (Boston) 4/	001	17.14	13.79	14.35	13.17	17.69
Appalachian (Charlotte) 5/	005	16.99	13.79	14.35	13.17	17.54
Southeast (Atlanta) 6/	007	16.99	13.79	14.35	13.17	17.54
Florida (Tampa ) 7/	006	17.89	13.79	14.35	13.17	18.44
Mideast (Cleveland) 8/	033	15.89	13.79	14.35	13.17	16.44
Upper Midwest (Chicago) 9/	030	15.69	13.79	14.35	13.17	16.24
Central (Kansas City) 10/	032	15.89	13.79	14.35	13.17	16.44
Southwest (Dallas) 11/	126	16.89	13.79	14.35	13.17	17.44
Arizona-Las Vegas (Phoenix) 12/	131	16.24	13.79	14.35	13.17	16.79
Pacific Northwest (Seattle) 13/	124	15.79	13.79	14.35	13.17	16.34
All-Market Average	---	16.54	13.79	14.35	13.17	17.09

1/ To convert the Class I price per 100 pounds to the Class I price per gallon, divide 11.63--the approximate number of gallons in 100 pounds of milk.

2/ Note: The mandatory \$0.20 per cwt. processor assessment under the Fluid Milk Promotion Order is not included in the Class I prices shown on this table.

3/ Names in parentheses are the major city in the principal pricing point of the market.

4/ Class I prices at other cities are: New York City, minus \$0.10; Philadelphia, minus \$0.20; Baltimore, minus \$0.25; and Washington, DC, minus \$0.25.

5/ Class I prices at other cities are: Knoxville, minus \$0.30 and Louisville, minus \$0.90.

6/ Class I prices at other cities are: New Orleans, plus \$0.50; Memphis, minus \$0.30; Nashville, minus \$0.50; and Springfield, Mo., minus \$0.90.

7/ Class I prices at other cities are: Orlando, same; Miami, plus \$0.30; and Jacksonville, minus \$0.30.

8/ Class I prices at other cities are: Indianapolis, same; Cincinnati, plus \$0.20; Pittsburgh, plus \$0.10; and Detroit, minus \$0.20.

9/ Class I prices at other cities are: Milwaukee, minus \$0.05; and Minneapolis, minus \$0.10.

10/ Class I prices at other cities are: Des Moines, minus \$0.20; Omaha, minus \$0.15; Oklahoma City, plus \$0.60; St. Louis, same; and Denver, plus \$0.55.

11/ Class I prices at other cities are: Houston, plus \$0.60; San Antonio, plus \$0.45; Albuquerque, minus \$0.65; and El Paso, minus \$0.75.

12/ Class I price at Las Vegas is minus \$0.35.

13/ Class I prices at other cities are: Portland, same; and Spokane, same.

### MAILBOX MILK PRICES FOR SELECTED REPORTING AREAS IN FEDERAL MILK ORDERS AND CALIFORNIA, MAY 2005

In May 2005, mailbox milk prices for selected reporting areas in Federal milk orders averaged \$14.48 per cwt., \$.49 less than the figure for the previous month. The component tests of producer milk in May 2005 were: butterfat, 3.60%; protein, 3.00%; and other solids, 5.73%. On an individual reporting area basis, mailbox prices decreased in all Federal milk order reporting areas, and ranged from \$16.44 in Florida to \$12.52 in New Mexico. In May 2004, the Federal milk order all-area average mailbox price was \$19.01, \$.43 higher.

Reporting Area	Mailbox Milk Price <u>2/</u>		
	May 2004	April 2005	May 2005
	Dollars per hundredweight		
Northeast Federal Milk Order	19.28	15.28	14.95
Appalachian States <u>3/</u>	19.02	14.97	14.59
Southeast States <u>4/</u>	19.79	15.25	15.04
Southern Missouri <u>5/</u>	18.45	14.25	13.97
Florida	20.98	16.72	16.44
Ohio	18.90	15.08	14.62
Indiana	19.14	15.06	14.66
Michigan	18.28	14.64	14.18
Wisconsin	20.39	15.68	14.98
Minnesota	19.80	15.41	14.76
Iowa	19.29	15.23	14.64
Illinois	19.48	15.28	14.61
Corn Belt States <u>6/</u>	17.40	14.16	13.61
Western Texas <u>7/</u>	18.16	13.90	13.31
New Mexico	16.85	13.11	12.52
Northwest States <u>8/</u>	16.59	13.89	13.47
All Federal Order Areas <u>9/</u>	19.01	14.97	14.48
California <u>10/</u>	17.57	14.11	NA

NA = Not available.

1/ Information is shown for those areas for which prices are reported for at least 75% of the milk marketed under Federal milk orders. The price shown is the weighted average of the prices reported for all orders that received milk from the area. As applicable, includes milk not-pooled due to disadvantageous intra-order price relationships. 2/ Net pay price received by dairy farmers for milk. Includes all payments received for milk sold and all costs associated with marketing the milk. Price is a weighted average for the reporting area and is reported at the average butterfat test. Mailbox price does not include any Milk Income Loss Contract (MILC) payments. Mailbox price does include, for the most part, the \$0.05 per cwt. assessment under the Cooperatives Working Together (CWT) program. 3/ Includes Kentucky, North Carolina, South Carolina, Tennessee, and Virginia. 4/ Includes Alabama, Arkansas, Georgia, Louisiana, and Mississippi. 5/ The counties of Vernon, Cedar, Polk, Dallas, Laclede, Texas, Dent, Crawford, Washington, St. Francois, and Perry and all those to the south of these. 6/ Includes Kansas, Nebraska and the Missouri counties to the north of those listed in 5/. 7/ All counties to the west of Fanin, Hunt, Van Zandt, Henderson, Anderson, Houston, Cherokee, Nacogdoches, and Shelby. 8/ Includes Oregon and Washington. 9/ Weighted average of the information for all selected reporting areas in Federal milk orders. 10/ Calculated by California Department of Food and Agriculture, and published in "California Dairy Information Bulletin."



## JUNE FLUID MILK SALES

During June, about 4.2 billion pounds of packaged fluid milk products is estimated to have been sold in the United States. This was 0.7 percent higher than June 2004. After adjusting for calendar composition, sales in June 2005 were 1.1 percent higher than June 2004. On an individual product basis, after adjusting for calendar composition, sales of reduced fat (2%) milk, low fat (1%) milk, fat-free (skim) milk, and flavored fat-reduced milk increased from June 2004, while sales of whole milk, flavored whole milk, and buttermilk decreased from a year earlier.

**Editor's Note:** Additional data can be found at <http://www.ams.usda.gov/dvfm/mib/in-areales.htm>

**ESTIMATED TOTAL U.S. SALES OF FLUID MILK PRODUCTS,  
JUNE 2005, WITH COMPARISONS <sup>1/</sup>**

Product Name	Sales		Change from: <sup>2/</sup>	
	June	Year to Date	Previous Year	Year to Date
	Mil. Lbs.		Percent	
Whole Milk	1,383	8,489	-2.1	-4.3
Flavored Whole Milk	60	371	-7.1	-16.0
Reduced Fat Milk (2%)	1,407	8,680	2.4	0.3
Low Fat Milk (1%)	492	3,164	3.0	2.5
Fat-Free Milk (Skim)	636	3,972	3.2	2.7
Flavored Fat-Reduced Milk	182	1,891	0.7	5.5
Buttermilk	42	256	-1.8	-3.8
Total Fluid Milk Products <sup>3/</sup>	4,213	26,904	0.7	-0.6
Total Fluid Milk Products Adjusted <sup>3/ 4/</sup>	4,223	26,953	1.1	0.2

<sup>1/</sup> These figures are representative of the consumption of fluid milk products in Federal milk order marketing areas and California, which accounts for approximately 92 percent of total fluid milk sales in the United States. An estimate of total U.S. fluid milk sales is derived by interpolating the remaining 8 percent of sales from the Federal milk order and California data. <sup>2/</sup> Percent changes, as well as sales volumes, unless otherwise noted, are shown on an unadjusted basis; see <sup>4/</sup>. There were significant revisions to previous year data for California. <sup>3/</sup> Total fluid milk products include the products listed plus miscellaneous products and eggnog. <sup>4/</sup> Sales volumes and percent changes have been adjusted for calendar composition; see [http://www.ams.usda.gov/dvfm/mib/clndr\\_comp\\_rpt.pdf](http://www.ams.usda.gov/dvfm/mib/clndr_comp_rpt.pdf)

**PACKAGED SALES OF TOTAL FLUID MILK PRODUCTS IN FEDERAL MILK ORDERS  
AND CALIFORNIA, JUNE 2005, WITH COMPARISONS <sup>1/</sup>**

Area (Order Number)	Sales		Change from: <sup>2/</sup>	
	June	Year to Date	Previous Year	Year to Date
	Mil. Lbs.		Percent	
Northeast (001)	744	4,705	-0.4	-0.9
Appalachian (005)	270	1,707	1.0	-0.8
Southeast (007)	369	2,383	2.6	1.6
Florida (006)	229	1,495	5.0	2.5
Mideast (033)	471	3,081	0.8	-0.9
Upper Midwest (030)	332	2,179	1.0	1.4
Central (032)	351	2,275	0.3	-0.9
Southwest (126)	328	2,087	1.1	0.1
Arizona-Las Vegas (131) <sup>3/</sup>	96	619	0.8	1.0
Pacific Northwest (124)	169	1,057	-0.5	-0.9
California (---) <sup>4/</sup>	518	3,164	0.6	-0.6

<sup>1/</sup> These figures are representative of the consumption of total fluid milk products in the respective area; see <sup>3/</sup> above for the products included. <sup>2/</sup> Percent changes, as well as sales volumes, are shown on an unadjusted basis; see <sup>4/</sup> above.

<sup>3/</sup> The in-area sales data for this order does not include all the sales in the marketing area due to the reporting exemption of fluid milk processors located in Clark County, Nevada.

<sup>4/</sup> There were significant revisions to previous year data for California.

**SOURCE:** Monthly reports filed by milk processors subject to the provisions of the applicable Federal milk order, AMS, USDA, and *California Dairy Information Bulletin*, California Agricultural Statistics Service and Milk Stabilization Branch.

CCC PURCHASES OF DAIRY PRODUCTS (POUNDS)

	FOR THE WEEK OF AUGUST 8 - 12, 2005			CUMULATIVE TOTALS		UNCOMMITTED INVENTORIES	
	TOTAL PURCHASES	CONTRACT ADJUSTMENTS	ADJUSTED PURCHASES	SINCE 10/01/04	SAME PERIOD LAST YEAR	WEEK ENDING 08/05/05	SAME PERIOD LAST YEAR
BUTTER							
Bulk	-0-	-0-	-0-	-0-	-42,309	-0-	-0-
Packaged	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-42,309	-0-	-0-
CHEESE							
Block	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Barrel	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Process	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-	-0-
NONFAT DRY MILK							
Nonfortified	-0-	-0-	-0-	31,817,269	338,224,340	-0-	543,272,000
Fortified	-0-	-0-	-0-	-0-	-119,048	-0-	46,391,000
TOTAL	-0-	-0-	-0-	31,817,269	338,105,292	-0-	589,663,000

MILK EQUIVALENT, FAT SOLIDS BASIS, OF ADJUSTED PURCHASES (MILLION POUNDS)

	MILKFAT* BASIS	SKIM** SOLIDS		MILKFAT* BASIS	SKIM** SOLIDS
WEEK OF AUGUST 8 - 12, 2005 =	0.0	0.0	COMPARABLE PERIOD IN 2004 =	1.2	65.1
CUMULATIVE SINCE OCTOBER 1, 2004 =	7.0	370.4	CUMULATIVE SAME PERIOD LAST YEAR =	73.5	3,935.5
CUMULATIVE JANUARY 1 - AUGUST 12 =	0.0	0.0	COMPARABLE CALENDAR YEAR 2004 =	48.0	2,586.3

\* Factors used for Fat Solids Basis - Butter times 21.80; Cheese times 9.23; and Nonfat Dry Milk times 0.22

\*\*Factors used for Skim Solids Basis - Butter times 0.12; Cheese times 9.90; and Nonfat Dry Milk times 11.64

CCC ADJUSTED PURCHASES SINCE 10/1/04 AND SAME PERIOD LAST YEAR (POUNDS) AND MILK EQUIVALENT AS A PERCENT OF TOTAL

REGION	BUTTER		CHEESE		NONFAT DRY MILK		MILK EQUIVALENT (%)	
	2004/05	2003/04	2004/05	2003/04	2004/05	2003/04	2004/05	2003/04
CENTRAL	-0-	-0-	-0-	-0-	1,331,567	8,493,089	4.2	2.5
WEST	-0-	-42,309	-0-	-0-	29,415,099	325,328,429	92.4	96.2
EAST	-0-	-0-	-0-	-0-	1,070,603	4,283,774	3.4	1.3
TOTAL	-0-	-42,309	-0-	-0-	31,817,269	338,105,292	100.0	100.0

SUPPORT PURCHASE PRICES FOR DAIRY PRODUCTS PRODUCED ON OR AFTER NOVEMBER 15, 2002

MANUFACTURING MILK Average Test 3.67% - \$9.90 per cwt.

BUTTER Bulk \$1.0500 per pound; 1# Prints \$1.0850

CHEESE 40 & 60# Blocks \$1.1314 per pound; 500# Barrels \$1.1014; Process American 5# \$1.1889; Process Am. 2# \$1.2289

NONFAT DRY MILK Nonfortified \$.8000 per pound; Fortified \$.8100; Instant \$0.9625

U.S. Dairy & Total Cow Slaughter under Federal Inspection, by Regions, for Week Ending 07/23/05 & Comparable Week 2004

Regions* (000 HEAD)	U.S. TOTAL										% DAIRY OF ALL	
	1	2	3	4	5	6	7	8	9	10	WEEK	SINCE JAN 1
2005-Dairy	N.A.	0.6	6.2	2.3	14.2	2.1	0.5	N.A.	12.1	2.1	40.9	1,267.0
2004-Dairy	N.A.	0.7	6.7	2.6	19.8	2.3	0.9	N.A.	11.2	2.6	47.7	1,335.0
2005-All cows	N.A.	0.6	7.7	10.7	28.1	13.6	9.3	N.A.	14.3	3.8	90.6	2,691.7
2004-All cows	N.A.	0.8	8.2	12.7	26.5	14.5	12.9	N.A.	13.3	5.0	96.8	2,873.6

**SOURCE:** The slaughter data are gathered and tabulated in a cooperative effort by the Agricultural Marketing Service, The Food Safety and Inspection Service, and the National Agricultural Statistics Service, all of USDA. 1/ States included in regions are as follows: Region 1--ME, NH, VT, CT, MA, and RI; Region 2--NY and NJ; Region 3--DE, PA, WV, VA, and MD; Region 4--KY, TN, NC, SC, GA, AL, MS, and FL; Region 5--MI, OH, IN, IL, WI, and MN; Region 6--TX, OK, NM, AR, and LA; Region 7--IA, NB, KS, and MO; Region 8--MT, WY, CO, UT, ND, and SD; Region 9--CA, NV, AZ, and HA; Region 10--ID, OR, and WA. 2/ Totals may not add due to rounding.

CLASS III MILK PRICES, (3.5% BF)

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2002	11.87	11.63	10.65	10.85	10.82	10.09	9.33	9.54	9.92	10.72	9.84	9.74
2003	9.78	9.66	9.11	9.41	9.71	9.75	11.78	13.80	14.30	14.39	13.47	11.87
2004	11.61	11.89	14.49	19.66	20.58	17.68	14.85	14.04	14.72	14.16	14.89	16.14

FEDERAL MILK ORDER CLASS PRICES FOR 2005 (3.5% BF)

CLASS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
I 1/	16.65	13.79	15.43	14.13	14.80	13.62	13.89	14.44				
II	13.04	13.36	13.25	13.24	12.78	13.06	13.79					
III	14.14	14.70	14.08	14.61	13.77	13.92	14.35					
IV	12.52	12.74	12.66	12.61	12.20	12.33	13.17					

1/ Specific order differentials to be added to this base price are located at [www.ams.usda.gov/dyfm05/mib/cls\\_prod\\_cmp\\_pr.htm](http://www.ams.usda.gov/dyfm05/mib/cls_prod_cmp_pr.htm)